

REPORT**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana****Component Unit Financial Statements
As of and for the Year
Ended December 31, 2011
with Supplemental Information Schedules**

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 27 2012

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana**

**Component Unit Financial Statements
As of and for the Year Ended December 31, 2011
With Supplemental Information Schedule**

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Minda B. Raybourn

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MEMBER
A.I.C.P.A.

MEMBER
I.C.P.A.

ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Washington Parish Fire
Protection District No. 5
Angie, Louisiana


I have compiled the accompanying financial statements and supplemental information, contained in schedules I and II, as of and for the year ended December 31, 2011, for the Washington Parish Fire Protection District No. 5, a component unit of the Washington Parish Government. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The management's discussion and analysis and budgetary comparison information, on pages 2 through 7 and 20 through 21 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

I am not independent with respect to Washington Parish Fire Protection District
No. 5.


Minda B. Raybourn
Certified Public Accountant
Franklinton, Louisiana
March 10, 2012

Management's Discussion and Analysis

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Management's Discussion and Analysis

Introduction

Washington Parish Fire Protection District No. 5 is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standard Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (hereinafter referred to as GASB 34) and related standards.

The District's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's financial statements.

Financial Highlights

- Total assets at December 31, 2011, were \$492,094 and exceeded liabilities by \$487,669 (i.e., net assets). Of total net assets, \$114,847 was unrestricted and available to support short-term operations, with the balance of total assets (\$372,822) invested in capital assets net of related debt.
- Revenues consist of ad valorem taxes, state revenue sharing and insurance proceeds. The total operating revenues, for the fiscal year ending December 31, 2011, was \$86,862 representing an approximate decrease of 2.86% from total revenues for fiscal year December 31, 2010 of \$89,420. Non-operating revenues had an increase of \$2,361.
- The District's program expenditures, consisting of those expenditures resulting from the District's ongoing operations, increased by \$20,354 (24.96%) over the program expenditures for fiscal year ended December 31, 2010.

The District had capital assets purchased of \$3,992 and depreciation expense of \$25,093.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Management's Discussion and Analysis

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of the District's financial condition and performance. The District's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector businesses. These financial statements are reported using the full accrual accounting methods.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of net assets and the statement of activities display information about the District as a whole. These statements distinguish between those activities of the District that are governmental and those that are considered business type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The modified accrual basis of accounting is used by the governmental funds.

Notes to financial statements. The notes to the financial statements provide required disclosures essential to the understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances, account activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Management's Discussion and Analysis

Financial Analysis

The purpose of financial analysis is to help determine whether Washington Parish Fire Protection District No. 5 is better off as a result of the current year's activities. In this analysis, data from two basic financial statements, the Statement of Net Assets, and the Statement of Activities and Changes in Net Assets, is presented below in condensed format. These statements report the net assets, the difference between assets and liabilities, and the change in net assets, which provides information for indicating the financial condition of the District. Following these statements is a separate schedule summarizing and analyzing budget changes for the current fiscal year.

Condensed Statement of Net Assets

	December 31, 2010	December 31, 2011	Dollar Change	Percent Change
Assets				
Current And Other Assets	\$ 110,932	\$ 119,272	\$ 8,340	7.52%
Capital Assets	393,923	372,822	(21,101)	-5.36%
Total Assets	504,855	492,094	(12,761)	-2.53%
Total Liabilities	4,504	4,425	(79)	-1.75%
Net Assets				
Invested in Capital Assets, Net	393,923	372,822	(21,101)	-5.36%
Unrestricted	106,428	114,847	8,419	7.91%
Total Net Assets	\$ 500,351	\$ 487,669	\$ (12,682)	-2.53%

The liabilities are pension deduction \$2,470 and deferred revenues sharing of \$1,955.

See page 8 for more detailed Statement of Net assets for the District.

Government-Wide review of the condensed Statement of Net Assets

The composition of net assets and change in net assets over time serves as a useful indicator of government's financial position. The District's assets at fiscal year-end exceed liabilities by \$487,669 (net assets). The balance of net assets includes \$372,822 Invested in Capital Assets and \$114,847 in Unrestricted Net Assets. The unrestricted assets are available to meet the ongoing needs of the District.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angle, Louisiana

Management's Discussion and Analysis

Condensed Statement of Activities, and Changes in Fund Balance

	December 31, 2010	December 31, 2011	Dollar Change	Percent Change
Program Revenues	\$ 89,420	\$ 86,862	\$ (2,558)	-2.86%
Expenses				
Operating Expenses	57,923	76,812	18,889	32.61%
Depreciation Expense	23,628	25,093	1,465	6.20%
	81,551	101,905	20,354	24.96%
Operating Income (Loss)	7,869	(15,043)	17,796	226%
Non- Operating Revenues(Expenses)				
Donations	-	2,311	2,311	100%
Other Income	-	50	50	100%
	-	2,361	2,361	100%
Change in Net Assets	7,869	(12,682)	(20,551)	-261.16%
Net Assets, Beginning of Year	492,482	500,351	7,869	1.60%
Net Assets, End of Year	500,351	487,669	(12,682)	-2.53%

While the Statement of Net Assets shows the change in financial position of Net Assets, the Statement of Activities and Changes in Net Assets provides answers to the nature and scope of these changes. Program Revenues decreased by \$2,558 (-2.86%), while operating expenses increased \$18,889 and depreciation increased by \$1,465. Changes in non-operating revenues was increased by \$2,361.

Budgetary Highlight

The proposed budget for 2011 was presented and adopted at the January 25, 2011 board meeting. The budget is prepared on the accrual basis of accounting, and all appropriations lapse at year-end. The budget was not amended during the fiscal year ending December 31, 2011. See Schedule 1 for the budget presentation. The District was in compliance with the State of Louisiana Budget Act which required a 5% variance.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Management's Discussion and Analysis

Budget vs. Actual – Fiscal Year Ending December 31, 2011

			Favorable (Unfavorable)
	Budget	Actual	Variance
REVENUES:			
Ad valorem taxes	\$ 72,174	\$ 72,219	\$ 45
State revenue sharing	5,700	5,802	102
Insurance rebates	8,000	8,841	841
Donations	-	2,311	2,311
Other income	-	50	50
Total Revenues	85,874	\$ 89,223	3,349
EXPENDITURES:			
Election expense		3,307	(3,307)
Fuel, gas, and oil	5,000	7,951	(2,951)
Bookkeeping	2,400	2,400	-
Dues & subscriptions	1,000	629	371
Capital outlay	20,000	3,992	16,008
Insurance	15,000	12,650	2,350
Legal & audit	5,000	4,200	800
Repairs and maintenance	23,500	24,037	(537)
Supplies	7,474	11,397	(3,923)
Travel		1,702	(1,702)
Utilities	5,000	4,175	825
Training	1,500	1,152	348
Miscellaneous		742	(742)
Pension expense		2,470	(2,470)
Total expenditures	85,874	80,804	5,070
CHANGE IN FUND BALANCE	-	8,419	8,419
FUND BALANCE, JANUARY 1, 2011	106,428	106,428	-
FUND BALANCE, DECEMBER 31, 2011	\$ 106,428	\$ 114,847	\$ 8,419

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year December 31, 2011, the District had purchases of \$3,992 recorded in capital assets, less depreciation of \$25,093. Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

Fire Stations	40 years
Fire Trucks and Other Trucks	5-20 years
Equipment	3-10 years

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 has been valued using estimated historical cost.

Capital asset activity for the year ended December 31, 2011

	January 1, 2011	December 31, 2011	Dollar Change	Percent Change
Land	\$ 18,966	\$ 18,966	\$ -	0.00%
Fire Trucks	340,828	340,828	-	0.00%
Fire Stations	163,568	163,568	-	0.00%
Equipments	64,260	68,252	3,992	5.85%
Communication	14,995	14,995	-	0.00%
Subtotal	602,617	606,609	3,992	0.66%
Less Accumulated				
Depreciation	(208,694)	(233,787)	(25,093)	12.02%
Net Capital Assets	393,923	372,822	(21,101)	-5.36%

The District purchased eight breathing apparatus at \$3,000 and Starter ID system at \$992.

FUTURE ECONOMIC PLANS

The District management's approach is conservative. The board actively monitors revenues and expenses and evaluates the cost of all purchases and any proposed expansion projects.

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana
Statement of Net Assets
December 31, 2011

	Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 53,539
Receivables	62,012
Prepaid expenses	<u>3,721</u>
Total current assets	119,272
Capital assets	
Land	18,966
Fire stations, truck, and equipments	587,643
Less accumulated depreciation	<u>(233,787)</u>
Total capital assets	372,822
Total Assets	<u>\$ 492,094</u>
LIABILITIES:	
Pension deduction	2,470
Deferred revenue	<u>1,955</u>
Total Liabilities	<u>4,425</u>
Net Assets	
Invested in capital assets, net of related debt	372,822
Unrestricted	<u>114,847</u>
Total Net Assets	<u>\$ 487,669</u>

See accountant's compilation report and accompanying notes to financial statements

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

PROGRAM EXPENSES:

Election expense	\$ 3,307
Fuel, gas, and oil	7,951
Bookkeeping	2,400
Dues & subscriptions	629
Depreciation expenses	25,093
Insurance	12,650
Legal & audit	4,200
Repairs and maintenance	24,037
Supplies	11,397
Travel	1,702
Utilities	4,175
Training	1,152
Pension expense	742
Miscellaneous	2,470
TOTAL PROGRAM EXPENSES	<u>101,905</u>

PROGRAM REVENUES:

Ad valorem taxes	72,219
State revenue sharing	5,802
Insurance rebates	8,841
Donations	2,311
Other income	50
Total Program Revenues	<u>89,223</u>

Change Net Assets (12,682)

Beginning Net Assets, January 1, 2010 500,351

Ending Net Assets, December 31, 2010 **\$ 487,669**

See accountant's compilation report and accompanying notes to the financial statements

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana
Balance Sheet
Governmental Funds
DECEMBER 31, 2011

	<u>General Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 53,539
Receivables	62,012
Prepaid expenses	3,721
TOTAL ASSETS	<u>\$ 119,272</u>
LIABILITIES:	
Pension deduction	\$ 2,470
Deferred revenue	1,955
Total Liabilities	<u>4,425</u>
FUND BALANCE	
Nonspendable	3,721
Unassigned Fund Balances	111,126
Total Fund Balance	<u>114,847</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 119,272</u>
Reconciliation:	
Total governmental funds balances	\$ 114,847
Capital assets	372,822
Net assets of government activities	<u>\$ 487,669</u>

See accountant's compilation report and the accompanying notes to the financial statements

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO 5
WASHINGTON PARISH GOVERNMENT
Angle, Louisiana
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2011

	<u>General</u>
OPERATING REVENUES:	
Ad valorem taxes	\$ 72,219
State revenue sharing	5,802
Insurance rebates	8,841
Donations	2,311
Other Income	50
Total Revenues	<u>89,223</u>
EXPENDITURES:	
Election expense	3,307
Fuel, gas, and oil	7,951
Bookkeeping	2,400
Dues & subscriptions	629
Capital outlay	3,992
Insurance	12,650
Legal & audit	4,200
Repairs and maintenance	24,037
Supplies	11,397
Travel	1,702
Utilities	4,175
Training	1,152
Miscellaneous	742
Pension expense	2,470
Total operating expenditures	<u>80,804</u>
 CHANGE IN FUND BALANCE	 8,419
 FUND BALANCE, JANUARY 1, 2011	 <u>106,428</u>
 FUND BALANCE, DECEMBER 31, 2011	 <u><u>\$ 114,847</u></u>
 Reconciliation:	
Change in fund balance	\$ 8,419
Capital assets purchased	3,992
Current year depreciation	(25,093)
Change in net assets	<u><u>\$ (12,682)</u></u>

NOTES TO FINANCIAL STATEMENTS

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements
For the Year Ended December 31, 2011**

INTRODUCTION

The Fire Protection District Number Five of Washington Parish was created under the Louisiana Revised Statute 40 1496 12E. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The District shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the District for the protection of the property within the limits of the District against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the District. All funds of the District shall be administered by the board. The board of commissioner members may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The District borders the Mississippi state line to the north, Pearl River to the east, 7th Ward line road to the south and Puspatappa Creek to the west in Ward 7 of Washington Parish, approximately 96 square miles. It serves approximately 2,400 people and several small businesses living and operating in the District. It operates two fire houses, one in Angie, Louisiana, and a second in Stateline, Louisiana, with a volunteer staff of fire fighters.

NOTE-1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING AND FINANCIAL STATEMENT

The District's financial statements are prepared on the modified accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principle Board (APB) of the Committee on Accounting Procedures, Issued on or before November 1989, unless those pronouncements conflict or contradict with GASB pronouncements.

These financial statements are presented in conformance with GASB Statement No 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No 34 established standards for financial reporting, with presentation requirements including a statement of net assets (or balance sheet), a statement of activities and change in net assets, and a statement of cash flows.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2011**

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, parish council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council
2. Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship

Because the parish council appoints a voting majority of the District's governing board and the parish council has the ability to impose its will on the District, the District was determined to be a component unit of the Washington Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2011**

C. FUND ACCOUNTING

The District maintains its financial records on a fund basis, whereby a self-balancing set of accounts (Governmental Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The general fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accompanying financial statements of the Washington Parish Fire Protection District NO 5 have been prepared in conformity with generally accepted accounting principles of the United States of America (GAAP) as applied to government units. The accompanying financial statements have been prepared in conformity with GASB-34. Under GASB-34, a statement of net assets and statement of activities are prepared which are presented on the accrual basis of accounting. The significant differences are capital outlay is reported as an asset and depreciated in the government-wide statement. Also long term obligations are recorded as liabilities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet in the fund statements. Long term assets and long term liabilities are included in the government-wide statements. Operating statements of governmental funds present increases (revenues), other financing sources, decreases (expenditures), and other financing uses are included in current assets.

The government-wide statement of net assets and statement of activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operation of these activities are included on the statement of net assets.

The statement of net assets and statement of activities are presented on the accrual basis of accounting. Under this method of accounting exchange, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 6
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2011**

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for non-exchange transactions, defines a non-exchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed non-exchange revenues which result from assessments imposed on nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Property tax revenues are recognized in the period when the district has a legal claim to the resources. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations, fund raising net revenues and state revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date. Property taxes collected by the taxing authority, but not remitted to the District at year-end, are accrued in revenue and included in property tax receivable.

Expenditures

Expenditures are recognized in the accounting period when the fund liability is incurred.

E. BUDGETS

The District does not have a formal policy on adopting a budget. All appropriations lapse at year-end. The District at regular meeting on January 25, 2011 adopted the budget for the year ended December 31, 2011. The budget was not amended.

F. ENCUMBRANCES

The District does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2011**

H. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses

I. CAPITAL ASSETS

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

Fire Stations	40 years
Fire Trucks and Other Truck	20 years
Equipment	3-10 years

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. The cost of all assets acquired prior to 1989 has been valued using estimated historical cost. Approximately 44.5% of total assets are valued at estimated historical cost. Donated assets were transferred from the Angie Volunteer Fire Department (organized prior to 1988 state legislature establishment of the District) and are valued at their original cost which approximates market value at the date donated.

J. COMPENSATED ABSENCES

The District does not have any paid employees, therefore, it does not have a formal leave policy.

K. LONG-TERM OBLIGATIONS

Long-term obligations are reported in the government-wide financial statement.

L. FUND BALANCE RESERVE

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2011**

M. NET CAPITAL

- **Invested in capital assets, net of related debt** – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or indebtedness attributable to acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- **Restricted** – this component of net assets consists of constraints placed on the asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. The Village adopted GASB 54 for the year ended December 31, 2011. Governmental funds are classified as follows:

- **Nonspendable** -These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** -These are amounts that can be spent only for specific purpose because of constitutional provisions, enabling legislation, or externally imposed constraints by creditors, grantor, contributors or the laws or regulations of other governments.
- **Committed** -These are amounts that can be used for specific purpose determined by a formal decision by the Board Members, which are the highest level of decision-making authority for the Village.
- **Assigned** -These are amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purpose.
- **Unassigned** -These are all other spendable amounts.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2011**

NOTE-2 LEVIED TAXES

On November 3, 1992, the District passed a proposal for a 10mill property tax assessment upon the property owners of the District, subject to homestead exemption. The tax is for a period of 10 years commencing in the year 1993 for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection service. On October 22, 2011 the voters of the District passed a resolution, 10 years 10 mills tax renewal for maintaining and operating the District's fire protection facilities, purchasing fire trucks and other fire equipment, and paying the cost of obtaining water for fire protection purpose, purchase of real state, buildings and/or construction of fire stations.

On November 4, 2008, the District passed a proposal for a 5mill property tax assessment upon the property owners of the District, subject to homestead exemption. Commencing in the year 2009 for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and any other lawful purpose of the Washington Parish Fire Protection District Number 5.

2011 Assessed Property Value	\$ 7,980,150
Less	
Homstead Exemption	<u>(3,038,000)</u>
Taxable Value	<u>\$ 4,942,150</u>
14 73 Mills Assessment	
Total Tax	\$ 117,551
Less	
Homstead Exemption	<u>(44,752)</u>
Taxable Value	<u>72,799</u>

NOTE-3 CASH AND CASH EQUIVALENTS

At December 31, 2011, the District has cash and cash equivalents totaling \$53,539 as follows:

Non-interest bearing demand deposits	<u>\$ 53,539</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2011 the District had \$53,539 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of the federal deposit insurance.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2011**

NOTE-4 RECEIVABLES

The following is a summary of receivables at December 31, 2011

<u>Class of receivable</u>	<u>General Fund</u>
Total Ad valorem taxes	\$ 62,012

NOTE-5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011

	Balance January 1, 2011	Additions	Deductions	Balance December 31 , 2011
Land(not Depreciable)	\$ 18,966	-	-	\$ 18,966
Fire Trucks	340,828	-	-	340,828
Fire Stations	163,568	-	-	163,568
Equipments	64,260	3,992	-	68,252
Communication	14,995	-	-	14,995
Subtotal	<u>\$ 602,617</u>	<u>3,992</u>	<u>-</u>	<u>\$ 606,609</u>
Less Accumulated				
Depreciation	(208,694)	(25,093)	-	(233,787)
Assets, net	<u>\$ 393,923</u>	<u>\$ (21,101)</u>	<u>\$ -</u>	<u>\$ 372,822</u>

The District purchased eight breathing apparatus at \$3,000 and Starter ID system at \$992

NOTE-7 LITIGATION AND CLAIMS

As of December 31, 2011, the District was not involved in any outstanding litigation or claims

NOTE-8 RELATED PARTY TRANSACTION

There were no related party transactions as of December 31, 2011

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE 1

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana
Budgetary Comparison Schedule
General Funds
For the Year Ended December 31, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES:			
Ad valorem taxes	\$ 72,174	\$ 72,219	\$ 45
State revenue sharing	5,700	5,802	102
Insurance rebates	8,000	8,841	841
Donations	-	2,311	2,311
Other Income	-	50	50
Total Revenues	<u>85,874</u>	<u>\$ 89,223</u>	<u>3,349</u>
EXPENDITURES:			
Election expense		3,307	(3,307)
Fuel, gas, and oil	5,000	7,951	(2,951)
Bookkeeping	2,400	2,400	-
Dues & subscriptions	1,000	629	371
Capital outlay	20,000	3,992	16,008
Insurance	15,000	12,650	2,350
Legal & audit	5,000	4,200	800
Repairs and maintenance	23,500	24,037	(537)
Supplies	7,474	11,397	(3,923)
Travel		1,702	(1,702)
Utilities	5,000	4,175	825
Training	1,500	1,152	348
Miscellaneous		742	(742)
Pension expense		2,470	(2,470)
Total expenditures	<u>85,874</u>	<u>80,804</u>	<u>5,070</u>
CHANGE IN FUND BALANCE	-	8,419	8,419
FUND BALANCE, JANUARY 1, 2011	<u>106,428</u>	<u>106,428</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2011	<u>\$ 106,428</u>	<u>\$ 114,847</u>	<u>\$ 8,419</u>

SUPPLEMENTAL INFORMATION

SCHEDULE II

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5 WASHINGTON PARISH GOVERNMENT ANGIE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULE For the Year Ended December 31, 2011

COMPENSATION PAID TO BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

<u>Board Member</u>	<u>Expiration Date</u>
J M "Mike" Pittman P O Box 182 Angie, La. 70426	12/31/15
Daniel Keaton 27106 Military rd Angie, La 70426	12/31/12
Hoyt "Chick" Boyd Jr 30550 Dixie Street Angie, La 70426 985-986-3212	12/31/13
Freddie Jefferson 30110 School Road Angie, La 70426	12/31/13

See accountant's compilation report